

**BEFORE THE
NATURAL RESOURCES COMMISSION
OF THE
STATE OF INDIANA**

IN THE MATTER OF:)	
)	
PETITION FOR RATE INCREASE)	ADMINISTRATIVE CAUSE
BY PATOKA LAKE MARINA, INC.)	NUMBER: 15-140P

**REPORT OF HEARING OFFICER, INCLUDING FINDINGS
AND PROPOSAL TO THE NATURAL RESOURCES COMMISSION
AS TO ITS RECOMMENDATIONS TO THE U.S. ARMY CORPS OF ENGINEERS**

1. PETITION FOR RATE INCREASE BY PATOKA LAKE MARINA, INC.

Heather Setser, Vice President of Operations for Patoka Lake Marina, Inc. (“PLMI”), filed a petition (the “Petition”) on December 8, 2015 with the Natural Resources Commission, Division of Hearings (the “Commission”) seeking rate increases for facilities operated on Patoka Lake. Consider this as an alternative: “The Petition, which is attached to this report as Exhibit A, seeks rate increases for the 2017 season on most slips and buoys within the marina.” The Petition also included a list of existing rates of comparable marinas as compared to PLMI’s proposed 2017 rates. PLMI last petitioned for a rate increase in 2008.

2. SCOPE OF REVIEW

The Petition is governed by Information Bulletin #20 (Third Amendment) published on November 25, 2009 in the INDIANA REGISTER at [20091125-IR-312090919NRA](#). The purpose of this information bulletin is to implement an informal process for the administrative review of ratemaking recommendations for resorts and marinas under lease with the Department of Natural Resources (Department).

In accordance with Information Bulletin #20, PLMI submitted its Petition to the Commission before January 1 of the year preceding the year in which the proposed rates, if approved, will be implemented. The Commission provided the Department a copy of the Petition. Brian Pavlik, with the Department’s Division of State Parks and Reservoirs (Division), notified PLMI of the assigned administrative cause number, the identity of the hearing officer, and provided the hearing officer’s electronic mail address for inclusion in the notice required to be provided by PLMI to its slip and buoy renters. In separate mailings, PLMI confirmed that 270 slip/buoy renters were notified of the required information.

On February 17, 2016, PLMI, by electronic mail, issued notice to slip and buoy renters containing the information required by Information Bulletin #20. As required by Information

Bulletin #20, the notice provided specifically that comments and requests for public hearing were required to be received within 15 days of receipt of the notice at the hearing officer's electronic or US Postal Service address. The notice also provided the notification that a public hearing would be conducted only if at least 10% (or 27) of the slip and buoy renters requested a public hearing. The Division of Hearings received 16 comments from slip renters with ten requests for public hearing. In accordance with Information Bulletin #20, a public hearing was not required.

Petitions, requests, documentation, exhibits, and other pertinent materials concerning the proposed rate request were available for the public to review at the lessee's business office, during normal business hours. A copy of this information was also available for inspection at the Division.

In accordance with the existing lease agreements, the Department is to analyze comparable facilities to compare rates with those sought by the lessee. Information used in the analysis is to be available for inspection at the Department in Indianapolis. In this instance, PLMI, in its Petition, seeks rate increases above 2%. Information Bulletin #20 (Third Amendment), Section 3(G) provides the following:

For requests for rate increase seeking increases of two percent (2%) or less for which no public hearing is required, the hearing officer, in consultation with the Department, will act as the delegate of the Commission in determining the lessee's request. Serving as the Commission's delegate, the hearing officer shall consider the Department's analysis of comparable marinas to compare rates with those sought by the lessee. A hearing officer may recommend approval of the rate increase, disapproval of the rate increase, or approval of a rate increase in an amount less than requested by the lessee. A hearing officer's recommendation for rate increase shall not be withheld unless the rates proposed exceed the fair market rates charged by operators of other similar privately-owned resort developments comparable to the project in the area.

3. WRITTEN COMMENTS

The opportunity for the public to submit written comments and to request a public hearing extended until March 3, 2016. Comments were submitted between February 17 and March 3, 2016, and are attached to this report as Exhibit B.

At least three slip holders indicated in their comments that other slip holders may not have received the required notice of the petition for rate increase. On March 8, 2016, PLMI forwarded its spreadsheet of all slip and buoy renter contact information and corresponding electronic mailing list ("listserve") to the Hearing Officer. A comparison of the spreadsheet and the listserve used to notify slip and buoy renters resulted in the inability to confirm whether 40 slip or buoy renters were notified. However, the Commission received on March 28, 2016, a packet of additional information confirming PLMI's notification of all slips and buoy renters impacted by the Petition. PLMI's cover letter states, in substantive part:

In reference to the request to verify customer notification of slip rate increase request, please find included in this packet the customers' verifications. We were unsuccessful in confirming Ben Hudelson. His phone number has been disconnected and he has not responded to any of our emails. We also have not received anything from Cindy and William Knopp. Ms. Burgett was on the email sent list, I apologize I do not

know why she wasn't on the first copy I sent you. Joe Denkenberger was also on the list. We have sold more slips to new customers for this season and I have included verification of the slip rate increase notice presented to them in the packet as well.

The Hearing Officer is satisfied that PLMI provided written notice, by personal delivery, U.S. first class mail or by electronic mail, to each slip renter or buoy renter regarding PLMI's Petition requesting a rate establishment or increase associated with slips or other mooring facilities, including buoys and docking stations.

Comments received regarding this 2016 Petition contend that Patoka Lake Marina is not comparable to Four Winds Marina or Hoosier Hills Marina, and that other marinas should have been included in PLMI's comparable analysis. The Division, in its comparable analysis of PLMI's 2008 petition, compared PLMI's proposed rate increase with approximately 39 marinas. The 2008 analysis compared rates from marinas located in those states surrounding Indiana, and also Missouri, Maryland, South Carolina, Wisconsin, and Texas. For the 2016 Petition, the Hearing Officer broadened the comparative analysis (Exhibit D) to include those marinas located in the surrounding states, and Missouri and Wisconsin. While the Hearing Officer understands that any increase in slip fee is burdensome to the slip holders, PLMI's proposed rate increases fall within the averages calculated in Exhibits A and D.

Other comments submitted described deficiencies in the maintenance and management of Patoka Lake Marina. PLMI petitioned the Commission for rate increases in 2001 and 2008. The 2008 petition requested rate increases from 5% to 33%. The 2016 Petition requests rate increases from 16% to 122%. The length of time between petitions for rate increases attributes to the larger percentage increases. It appears PLMI may be "catching up" with the costs of doing business in 2016. PLMI indicated that it has upgraded the restroom facilities and invested \$50,000 in remodeling the deck overlooking Patoka Lake. Another comment was submitted that noted the deterioration of the docks. PLMI has indicated that it continues to upgrade its mooring facilities.

The Division indicated it has been satisfied by the operation of the Patoka Lake Marina and does not receive complaints regarding the marina's operation. (Exhibit C)

The PLMI has indicated in its Petition that it will move from a seasonal rental lease to a yearly rental lease. PLMI also states in its Petition: "Since we maintain an ice free marina during the winter months, our slip customers will have more value for their money. ... We also make it easier for our customers to afford their slips by invoicing the slips out in 2 stages."

A comment was submitted regarding the inadequacy of the existing bubbler system to protect moored boats from ice formation. Another comment submitted questioned PLMI's move from a seasonal leasing to an annual leasing, citing "there are almost no operations that are active in the off months."

On June 21, 2016, Pavlik sent an email to Jason Hickman, Patoka Lake Property Manager, inquiring of the amount of activity on Patoka Lake during the winter months. Hickman replied to Pavlik's inquiry, "The lake does freeze over. Unless we have warm days I don't see that much traffic on the lake unless [it's] people who are hunting."

PLMI's move to an annual rental lease would provide renters the option to moor their boats at the marina rather than remove boats for dry storage for an additional cost. However, this option is only viable as long as the marina provides adequate measures to prevent ice formation around moored boats. Of course, there may be instances where the winter temperatures in Indiana are such that a properly functioning bubbler system may not be adequate to prevent ice formation where the temperatures are below freezing for an extended period.

PLMI's move to an annual rental lease is inconsequential to the conclusion that the proposed rate increases fall within the averages calculated in Exhibits A and D. PLMI's proposed annual rates are, on average, lower than comparable seasonal rates calculated in Exhibits A and D. The Commission's proposed recommendations in Exhibit E, are also, on average, lower than comparable seasonal rates calculated in Exhibit A and D.

4. RECOMMENDATION BY THE DNR DIVISION OF PARKS AND RESERVOIRS

As anticipated in Information Bulletin #20, the Division completed a comparative review of slip rates associated with the Petition. The Division's analysis is attached as Exhibit C and incorporated by reference. The Division's evaluation included comparison of PLMI's proposed rates to those marinas as provided by PLMI. The Division's explanation for proposing a rate that differs from PLMI's proposed rate increase is also included in Exhibit E.

5. PROPOSED FINDINGS AND PROPOSED RECOMMENDATION BY THE HEARING OFFICER

Proposed Findings

1. The scope of the informal administrative review accorded by the Natural Resources Commission (the "Commission") in Information #20 (Third Amendment) is addressed to petitions for rate increase at marinas and related facilities on properties owned or leased by the Department of Natural Resources (the "Department").
2. Although the Department may appropriately exercise whatever rights are provided in a ground lease with respect to marina facilities, as well as any other rights provided by law or equity, the scope of review provided in Information #20 (Third Amendment) is limited to the subject of the petition for rate increase. The Commission ultimately recommends action on the petition to the U. S. Army Corps of Engineers, and the Corps may either accept or reject the recommendation.
3. For requests for rate increase seeking increases of over two percent (2%) for which no public hearing is required, the hearing officer, in consultation with the Department, will prepare a written report to the Commission, which includes written findings and a proposal to the Commission for recommendations to the U.S. Army Corps of Engineers in determining Patoka Lake Marina, Inc.'s (the "PLMI") request.

4. PLMI has not requested a rate increase since 2008¹.
5. PLMI, in its Petition, requests rate increases of more than 2%. The percentage increases range from 16% up to 122%. According to the Petition, there are 270 slip and buoy renters. The Commission received 16 comments from slip renters with ten requests for public hearing. In order to schedule a public hearing, 10% (or 27) of the slip and buoy renters would have needed to request a public hearing. The requisite number of requests for a public hearing was not received.
6. The Petition provides that the previous rate increase was made effective in 2009. The Petition also states, in part, that

[PLMI] continues to provide exceptional service and upgrades to our marina. We have recently invested more than \$50,000 in the complete remodel of the State-owned deck overlooking Patoka Lake. We have also made renovations to the State-owned building on the concessioned property which includes but is not limited to completely re-siding, installed heat/air conditioning, and the restrooms have been remodeled. We have increased the number of gas pumps at Patoka Lake Marina making it more convenient for lake customers. We continue to upgrade our mooring facilities. We do not charge our customers to utilize the pump out services, We are going to move to a yearly rental lease with our mooring customers and since we maintain an ice free marina during the winter months, our slip customers will have more value for their money. All of our slips are single berth (double sided) again adding value to the customers' lease. [PLMI] is creating a bridge system that will make the docks easily accessible in flooded waters. We have created a loyalty/reward program for our customers. We also make it easier for our customers to afford their slips by invoicing the slips out in 2 stages.

7. In determining whether to recommend a rate increase be granted the Department is to analyze similar facilities and compare rates with those sought by the Petition. The use and analysis of comparables is fundamental to determining the propriety of proposed rate increases to marina slips and mooring buoys. The preponderance of information in the record evidences that the rate increases sought by PLMI are within the average range of slip rates for comparable facilities.
8. A hearing officer's or the Commission's recommendation for rate increase shall not be withheld unless the rates proposed exceed the fair market rates charged by operators of other similar privately-owned resort developments comparable to the project in the area. Information Bulletin #20 (Third Amendment), p. 2.
9. The proposed recommendation of rate increases as set forth in Exhibit E is within the industry's average range and is supportable. The requested rates may properly be recommended for approval.

¹ The Commission recommended to the U. S. Army Corps a rate increase in *Petition for Rate Increase by Patoka Lake Marina, Inc. (2008)*, Administrative Cause Number 07-158P. The Commission's recommendation can be found at <http://www.in.gov/nrc/files/index.pdf>, INDEX, p. 68.

B. Proposed Recommendation

The Hearing Officer, as delegate of the Natural Resources Commission, recommends to the U.S. Army Corps of Engineers that the rate increase sought by the Patoka Lake Marina, Inc. for existing facilities be approved as set forth in the last column of Exhibit E.

Dated: June 29, 2016

Jennifer M. Kane
Hearing Officer
Natural Resources Commission
Division of Hearing
Indiana Government Center North
100 North Senate Avenue, Rm N501
Indianapolis IN 46204
(317) 232-0156

Service List:

cc: Heather Setser, Patoka Lake Marina, Inc. (via email)
Brian Pavlik, DNR, Division of State Parks and Reservoirs (via email)

EXHIBIT A

Patoka Lake Marina Inc.

"Stay and play on the water"

2991 North Dillard Road,
Birdseye Indiana 47513

888-819-6816
srbartals@aol.com

December 3, 2015

Administrative Cause
Number: 15-140R

Natural Resource Commission of
The State of Indiana, Division of Hearings
Indiana Government Center North Room N501
100 North Senate Avenue
Indianapolis, IN 46204-2200

FILED
08
DEC 18 2015

NATURAL RESOURCES COMMISSION
DIVISION OF HEARINGS

RE: Petition for Rate Increase

Please consider this document as Patoka Lake Marina's official petition for a rate increase for slips, buoys, and houseboats to be implemented in 2017. Patoka Lake Marina, Inc. has operated since 1998 with the last rate increase in 2008. Our requested proposed rates will affect 270 customers between our slips and buoys. For your reference please find attached a spread sheet comparing Patoka Lake Marina to Hoosier Hills Marina, Kent's Harbor Marina, Lake Monroe Marina, Geist Marina, Morse Marina, and 4 Winds Marina. The spreadsheet also has the break down of the proposed rates in comparison to the other marinas with in the required 400 mile radius. The information will show that our petition seeks to raise our proposed new rates comparable to the rates of the five corresponding marinas that the state has already approved.

Patoka Lake Marina continues to provide exceptional service and upgrades to our marina. We have recently invested more than \$50,000.00 in the complete remodel of the State-owned deck overlooking Patoka Lake. We have also made renovations to the State-owned building on the concessioned property which includes but is not limited to completely residing, installed heat/air conditioning, and the restrooms have been remodeled. We have increased the number of gas pumps at Patoka Lake Marina making it more convenient for lake customers. We continue to upgrade our mooring facilities. We do not charge our customers to utilize the pump out services, some are located directly at customers' slips with the goal to have it at all viable slips. We are going to move to a yearly rental lease with our mooring customers and since we maintain an ice free marina during the winter months, our slip customers will have more value for their money. All of our slips are single berth (double sided) again adding value to the customers' lease. Patoka Lake Marina is creating a bridge system that will make the docks easily accessible in flooded waters. We have created a loyalty/reward program for our customers. We also make it easier for our customers to afford their slips by invoicing the slips out in 2 stages.

We appreciate your consideration of our petition for rate increase. The reflection is fair, appropriate, and in keeping with competitive rates for our services as compared on the spreadsheet with the other concessioners.

Sincerely,



Heather Setser
VP Operations

2015																	
		Season	Seasonal	Season	Yearly	Seasonal	Yearly	Seasonal	Seasonal	Seasonal	Yearly	Yearly	Yearly	Yearly	Yearly	Yearly	Yearly
Slip Size	20' Single B	20' Double B	24' Single	24' Double	24' Covered	28' Open	28' Covered	30' open	30' covered	36' open	36' open	40' Open	40' Covered	50' Open	60' Open	80' Open	100' Open
Marinas																	
Paloka Lake Marina	800	n/a	900	n/a	2000	1200	2200			1495	1945	2195	3625	2495	2950	3995	5995
Hoosier Hills Marina	n/a	n/a	n/a	850	2300			1300.00 Doub	2750	1600				2550 Dble	3390	4840	5340
Kent's Harbor Marina	1625		1725					2575		2925		3240*		3720*	4495*		
Lake Monroe Marina	1200**			1200.00**			2595	2500.00 (32')				3600		3800 (48')			
Gelst Marina	2000	1680	2120	2715													
Morse Marina	1640	1320	1750		2630												
4 Winds Marina*	1360		2208		2868	2576	4002 (30')	2873 (32')	4002		3654	4565 (42')	5712 (42')	4751	5814	7606 (78')	
* 4 winds is yearly																	
Proposed Slips	1300		2000		2600	1800	3000			2350	2800	2995	4715	3300	3900	5500	7900
Buoys proposed rate	\$800																
Houseboats	2 bedroom	3 bedroom	4 bedroom	5 bedroom	6 bedroom												
Proposed nightly rate	350	450	500	600	850												
Lake Monroe raised	1295			1285			2595	2600				3800		4000			
as of 9/15/2015																	
All of their slips are year																	
Kent's Harbor is invoiced																	
April 1-October 31 with																	
exception of docks I & J																	
per their website.																	

EXHIBIT B**COMMENTS SUBMITTED (February 17 – March 3, 2016)****Shana Riggs**

I do not see 4 Winds as a comparable marina to Patoka thus I cannot understand Patoka thinking they could demand similar rates as 4 Winds. A larger sampling of comparable marinas should be done before this rate increase is passed on to Patoka Marina Customers. Also, there are almost no operations that are active in the off months so I am not clear on why Patoka would move from Seasonal to Year Round pricing other than to use as leverage to increase the rate.

Tobias Switzer

I just received notice from Patoka Lake Marina (PLM) that they plan to increase my 24' slip fees from \$900, to \$2000 yearly. That's an increase of 122%. The average increase requested for all other slips at PLM, not including the 24' slips, is 46%. I'm not opposed to some increase, but while 46% increase is significant, a 122% increase is absurd. This is a cash grab, plain and simple and it's going to be cost prohibitive for many. The increase is being pushed under the guise of a "yearly" slip rental. That's not what I signed up for and not what I have been paying for years. My slip is essentially unusable during the late-fall and winter and that's why they offered seasonal rentals to begin with. Calling it yearly to justify a 122% increase is shady at best. I'd like to formally petition that these increases not be approved as-is, or as the longer-term targets achieved through iterative increases. I am willing to attend any hearing set forth to discuss this. If you have not seen the rate increase sheet, I would be happy to supply it. I did not add it here in hopes to get this email successfully through any spam filters on your end.

Kevin Powell (EE2 and BW 24)

I'm requesting a rate increase hearing. Please confirm the receipt of my request. I currently have two slips at this marina.

[Powell also commented in a separate email] I have been a dock customer with two slips for 6 years. I find it terribly concerning that when I received this email yesterday and reached out to some of my fellow dock neighbors, only myself and one other dock customer received this email out of the 6 of us. As I read their notice, 10% of us have to reply back that we want a hearing but of the 6 of us I asked directly, only 33% of us even received the notice. That is terribly alarming!!

PLM's request for this rate increase per their email is "We have done a comparison of 6 Indiana Marinas and requested rates respective of that comparison." I want to highlight the word comparison because the marinas PLM compared to are not even in the same league as far as upkeep, services, condition, and amenities. If you want to charge a premium price as they are proposing, they need to provide premium amenities and a safe harbor for our boats. Other than replacing some burnt out light fixtures last year and a few of the splintered up old dock boards, there has not been any improvements or amenities added since I have been at PLM.

Based on their proposal, the rates they are proposing I pay for my two slips is 44% higher than my current rates. That type of increase is absurd. Of the marinas they listed as comparisons, we are at the bottom of that list in quality and services offered. There has been nothing done to improve the marina, stop the excessive waves that batter the boats, keep the boats safe in the winter from ice, provide a stable WIFI for the customers, and many other things that the comparison marinas offer with their slips.

We have a serious problem here if their notice to dock customers was not sent to everyone and as I stated in in the opening of this email, only 2 out of 6 I contacted even received the email. There needs to be a hearing over this matter regardless how many customers reply because we cannot be convinced the notice even reached all of the dock customers and this type of increase is completely out of line.

Ron Emmons

I am writing to you in opposition to the proposed rate increase. I have been keeping my 24' pontoon in a covered slip since 2009. I have been paying \$2000 annually. I've always felt that this fee was excessive as it is. We receive

no other enmities from PLM. When I was having a problem with bird drooping on my boat from roosting overhead I was told that it was up to me to remedy the problem. They have many employees that are engaged in paid services for PLM. Not for the renters. Slip B9

Dave Helton

I did not received the e-mail below, but it was forward to me by a fellow slip renter. I have leased 2 slips for the last 4 years at the Patoka Lake Marina. I have a 40' open slip for my houseboat and a 24' covered slip. I along with several other slip renters vigorously protest a slip rate increase and request a hearing to discuss. The Patoka marina does not compare to the Lake Monroe marina and its amenities. A new Patoka lake marina winery at the entrance of the park, does not add anything to the actual marina or its slip renters. Perhaps they should focus more on the upkeep of the actual marina and docks? There are many items I would like to have address and a hearing would be a good forum to discuss.

[Dave Helton also submitted an additional comment in a separate email.]

Thank you for the information. Interesting that Patoka Lake Marina waited until they renewed their lease with you guys to then proposed to hike up the slip rental 44%. I along with others request a hearing regarding the proposed slip increase.

Tom Rich

I am requesting a rate increase hearing. I currently have one slip with Patoka Lake Marina.

Jon Duke

I received an email last night from a fellow slip owner at Patoka Lake Marina, (PLM), regarding their proposed slip fee increases. I own two slips at this marina, one for our houseboat and one for our pontoon boat. We have been there for two summers now and this upcoming will be our third. In this time we have neither seen no new improvements to the 30 plus year old docks nor added amenities. One of their responsibilities is to keep ice from forming around any of the boats that are in the slips for winter storage. This is done by running bubblers in and around the slips which keeps the water churning and therefore from freezing. Obviously this year has been a treat compared to the last two winters we had and they have gotten away without running the bubblers. Last year I had to send an email, (see below), out due to ice closely approaching the back of the houseboats in the 80' long slips. It seems to me that if PLM is wanting comparable slip fees then we should get comparable service as well as docks and amenities. If you were to go to the Monroe docks this very day you would see nice concrete paver docks and bubblers running all over the different slips. If you went to PLM you would see patched up 20+ year old treated wood docks without any bubblers running at all. I do hope you will keep the slip owners in mind while making your decision.

Tina Campbell

We would like to attend the hearing for slip rental increase and changes.

John Taylor II

I am requesting a rate hearing on the proposed increases to slip rental at Patoka Lake Marina.

Debbie Heishman

My name is Debbie Heishman end I have a boat slip at Patoka lake, dock e slip 12. I am writing you to request a rate increase hearing. I have major concerns in regards to the proposed increase.

I feel a meeting is needed to discuss the concerns. I think the increase is way out of line when comparing the benefits offer by the other marines as compared to what Patoka Lake offers.

Please let me know when and where the hearing will be held.

Ben Barth (D-Dock)

I would question the proposed rate increase requested by PLM. I have been a customer/slip holder, for in excess of ten years and have yet to see improvements that would justify an increase or even an adjustment along the lines of cost of living percentages. To compare PLM to Four Seasons, Geist, Morse, or even Hoosier Hills Marina is quite a stretch. Please take the time to do a personal on site comparison and you will quickly see none of the referenced

locations compare in quality, capital improvements, restrooms, service, and general upkeep. All are far superior to PLM. Substandard restrooms/shower facilities, splintered docks, and storm curved dock connector plates, are just some of the items in need of attention. Further, none of the improvements list by PLM after the initial notification, have an impact on slip holder's quality of life at the dock or slip. The upgrade to electric meters, Shelter House improvements and something as minor as a sweep installed on a door doesn't come close to what is needed or have an impact on slip holders. Also, an estimated 90+ percent of slip holders have no interest in upgrading pump-out procedures. To approve the increase on PLM management's analysis "comparable" locations is wrong. It is the opinion of current slip holders that PLM does the minimum to get by rather than provide the quality of service worthy of the current rate much less an increase.

Tonja Sunderhaus / Darrel McIntire (dock E, slip 19)

This is formal notification that we would like to request a rate hearing related to the proposed rate increase by Patoka Lake Marina.

Russell Lamb, Jr.

Would like to have a hearing about new slip fees please.

Beth and Jose Reyes

This communication is in response to the notice of slip rate increases requested by Patoka Lake Marina. Although 4 Winds Marina may be in close proximity to Patoka, it is not a valid marina with which to compare Patoka concerning slip prices. Other marinas of similar size and condition should be used in comparison. We're also not clear why they are making it a year round agreement other than to make the price increase seem reasonable. We still are not able to comfortably use the boat 5 months out of the year at that marina. We disagree with this large of a price increase. Please confirm receipt of this letter.

Debbie Heishman

This is in regards to the proposed rate increase for Patoka lake. I am requesting that a hearing be held. I would also like to note that not everyone has been informed of the rate increase. The marina failed to notify all of the boat owners. This should be taken into account when you require 10% if the people to respond. They can't respond to something they know nothing about.

Scott Messmer (E-10)

I would like to request a hearing about the price increase.

EXHIBIT C



Michael R. Pence, Governor
Cameron F. Clark, Director
Division of State Parks
402 W. Washington Street
Room W298
Indianapolis, IN 46204
Phone (317) 232-4124
Toll-free (800) 622-4931
Fax (317) 232-4132
www.in.gov/dnr/

April 20, 2016

Jennifer Kane
100 N. Senate Ave RMN501
Indianapolis, IN 46204

Dear Ms. Kane:

In response to the rate increase proposal submitted by Patoka Lake Marina to the Natural Resource Commission, the Division of State Parks has reviewed the proposal.

The DNR received only 16 customer concerns regarding the slip increase and not enough requests for a rate hearing from the 270 customers affected by the rate increase. Patoka Lake Marina has not requested a rate increase for nine years. State Parks has been satisfied by the operation of the marina and does not receive complaints about the operation.

By looking at the comparable marina report supplied by Patoka Lake Marina and amount of increase proposed, the Division of State Parks makes the following recommendations:

20' Single (Season):

\$800 now, \$1,300 proposed.

State Parks Recommendation: \$1,300

24' Single (Season):

\$900 now, \$2,000 proposed.

State Parks Recommendation: \$1,600

24' Covered (Yearly):

\$2,000 now, \$2,600 proposed.

State Parks Recommendation: \$2,600

28' Open (Season):

\$1,200 now, \$1,800 proposed.

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State Parks Recommendation: \$1,800

28' Covered (Yearly):

\$2,200 now, \$3,000 proposed.

State Parks Recommendation: \$2,800

36' Open (Season):

\$1,495 now, \$2,300 proposed.

State Parks Recommendation: \$2,300

36' Open (Yearly):

PLM: \$1,945 now, \$2,800 proposed.

State Parks Recommendation: \$2,600

40' Open (Yearly):

PLM: \$2,195 now, \$2,995 proposed.

State Parks Recommendation: \$2,995

40' Covered (Yearly):

\$3,625 now, \$4,715 proposed

State Parks Recommendation: \$4,715

50" Open (Yearly):

\$2,495 now, \$3,300 proposed

State Parks Recommendation: \$3,300

60' Open (Yearly):

\$2,950 now, \$3,900 proposed

State Parks Recommendation: \$3,900

80' Open (Yearly):

\$3,995 now, \$5,500 proposed

State Parks Recommendation: \$5,500

100' Open (Yearly):

\$5,995 now, \$7,900 proposed

State Parks Recommendation: \$7,500

Buoys

\$500 now, \$800 proposed (No comparisons given)

State Parks Recommendation: \$725

Houseboat/Lodging Rentals (No comparisons given)

Now:

Two-Bedroom \$199; Three-Bedroom \$299; Four-Bedroom \$431; Five-Bedroom N/A; Six-Bedroom \$731

Proposed:

Two-Bedroom \$350; Three-Bedroom \$450; Four-Bedroom \$500; Five-Bedroom \$ 600; Six-Bedroom \$850

State Parks Recommendation: Two-Bedroom \$350; Three-Bedroom \$450; Four-Bedroom \$500; Five-Bedroom 600; Six-Bedroom \$850

Thank you,



Brian Pavlik
Concession Program Manager, Division of State Parks

EXHIBIT D**NRC, Division of Hearings Comparable Analysis**

MARINA	Season 20' Single	Seasonal 24' Single	Yearly 24' Cov	Seasonal 28' Open	Yearly 28' Cov	Seasonal 36' Open	Yearly 36' Open	Yearly 40' Open	Yearly 40' Cov'rd	Yearly 50' Open	Yearly 60' Open	Yearly 80' Open	Yearly 100' Open
PLMI (NRC Proposed Rate)	\$1,300	\$1,600	\$2,600	\$1,800	\$2,800	\$2,300	\$2,600	\$2,995	\$4,715	\$3,300	\$3,900	\$5,500	\$7,500
INDIANA													
Hoosier Hills			\$2,300			\$1,600				\$2,550	\$3,390	\$4,840	\$5,340
Kent's Harbor	\$1,625	\$1,725				\$2,925		\$3,240		\$3,720	\$4,495		
Lake Monroe	\$1,200				\$2,595			\$3,600		\$3,800			
Geist	\$2,000	\$2,120											
Morse	\$1,640	\$1,320	\$2,630										
Four Winds	\$1,360	\$2,208	\$2,868	\$2,576	\$4,002		\$3,854	\$4,565	\$5,712	\$4,751	\$5,814	\$7,608	
Hammond										\$4,610	\$5,350	\$7,070	\$8,790
Michigan City Port Authority* (Seasonal)		\$1,670		\$2,125		\$2,560		\$3,045		\$4,350	\$5,400		\$8,700
KENTUCKY													
Lee's Ford					\$2,350			\$3,200	\$4,400	\$3,800	\$4,000	\$5,350	\$8,000
The Moors		\$1,250	\$1,750					\$2,750	\$3,300			\$4,395	
Conley Bottom			\$2,050		\$2,850				\$4,775				
ILLINOIS													
Hiddencove* (summer – 2015 rates)		\$1,255		\$1,375		\$1,695		\$1,855		\$2,255	\$2,605		
Starved Rock* (seasonal – 7mths)	\$1,015	\$1,400						\$2,035		\$2,385			
OHIO													
Venetian										\$3,845			

AGENDA ITEM #8

Son Rise* (6-month season)								\$3,400		\$4,440			
TENNESEE													
Twin Cove			\$2,220		\$3,000								
WISCONSIN													
Manitowoc	\$840	\$1,185		\$1,380		\$1,945	\$3,390	\$3,390		\$4,765	\$6,840	\$9,120	
AVERAGE:	\$1,383	\$1,570	\$2,303	\$1,864	\$2,959	\$2,145	\$3,622	\$3,108	\$4,547	\$3,773	\$4,737	\$6,397	\$7,708

EXHIBIT E**Proposed Rate Recommendation to the U.S. Army Corps*********

Slip Size	PLMI Existing Rates	PLMI Proposed Rates for 2017	Division Recommended Rates	Division's Explanation of Recommended Rates	NRC PROPOSED RECOMMENDATIONS
Season 20' Single	\$800	\$1,300 (62.5% ↑)	\$1,300	[Average comparable rate: \$1,590]	\$1,300
Seasonal 24' Single	\$900	\$2,000 (122% ↑)	\$1,600 (78% ↑)	The proposed rate increase is more than double. While the average provided is \$2,000 the closest comparable (Hoosier Hills) is \$950 for a 24' double. The single should be more expensive, but State Parks is not comfortable with over 100% increase.	\$1,600
Yearly 24' Covered	\$2,000	\$2,600 (30% ↑)	\$2,600	[Average comparable rate: \$2,599]	\$2,600
Seasonal 28' Open	\$1,200	\$1,800 (50% ↑)	\$1,800	[Average comparable rate: \$2,576]	\$1,800
Yearly 28' Covered	\$2,200	\$3,000 (36% ↑)	\$2,800 (27% ↑)	The proposed rate is \$300 less than the average, but only two marinas were compared and Four Winds is a 30' slip. The recommended rate is closer to Lake Monroe Marina.	\$2,800
Seasonal 36' Open	\$1,495	\$2,350 (57%)	\$2,300 (53% ↑)	[Average comparable rate: \$2,282]	\$2,300
Yearly 36' Open	\$1,945	\$2,800 (43% ↑)	\$2,600 (33% ↑)	Only comparison is Four Winds. Hoosier Hills 36' season is \$1,600. State Parks feels this is a fair price increase.	\$2,600
Yearly 40' Open	\$2,195	\$2,995 (36% ↑)	\$2,995	[Average comparable rate: \$3,887]	\$2,995
Yearly 40' Covered	\$3,625	\$4,715 (30% ↑)	\$4,715	[Average comparable rate: \$5, 712]	\$4,715
Yearly 50' Open	\$2,495	\$3,300 (32% ↑)	\$3,300	[Average comparable rate: \$3,768]	\$3,300
Yearly 60' Open	\$2,950	\$3,900 (32% ↑)	\$3,900	[Average comparable rate: \$4,586]	\$3,900
Yearly 80' Open	\$3,995	\$5,500 (38% ↑)	\$5,500	[Average comparable rate: \$6,224]	\$5,500
Yearly 100' Open	\$5,995	\$7,900 (32% ↑)	\$7,500 (25% ↑)	Only comparison is Hoosier Hills. This is a fair increase.	\$7,500
Buoys	\$500	\$800 (60% ↑)	\$725 (45% ↑)	No comparisons given.	\$725
Houseboats (Nightly Rate)					
2-Bedroom	\$199	\$350 (76% ↑)	\$350	No comparisons given.	\$350
3-Bedroom	\$299	\$450 (51% ↑)	\$450	No comparisons given.	\$450
4-Bedroom	\$431	\$500 (16% ↑)	\$500	No comparisons given.	\$500
5-Bedroom	N/A	\$600	\$600	No comparisons given.	\$600
6-Bedroom	\$731	\$850 (16% ↑)	\$850	No comparisons given.	\$850